

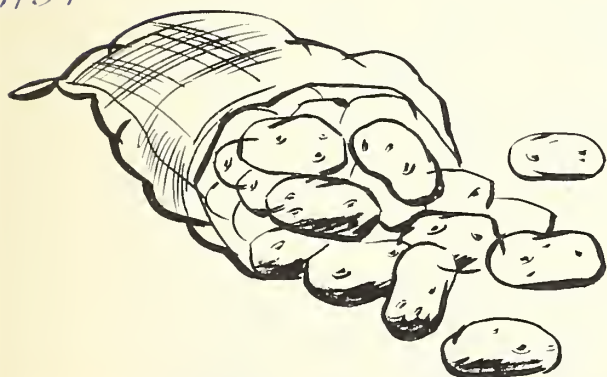
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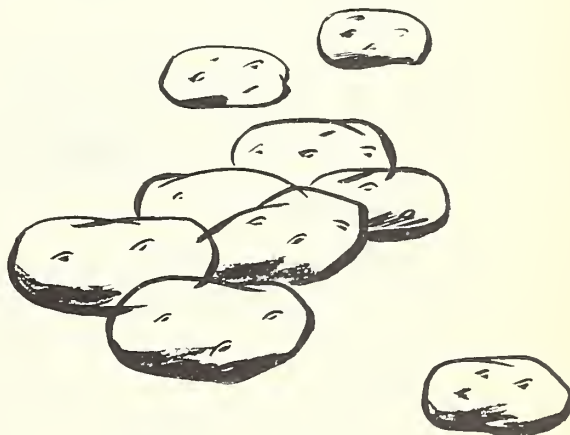
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1959 ACREAGE-MARKETING GUIDES

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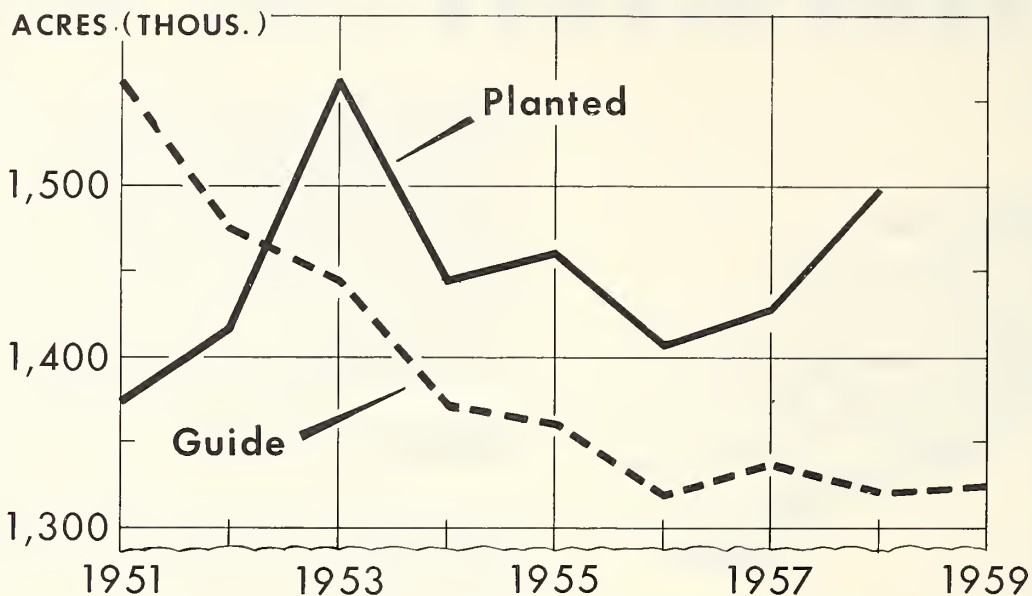
SUMMER POTATOES



FALL POTATOES

Agricultural Marketing Service AMG-10
UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C

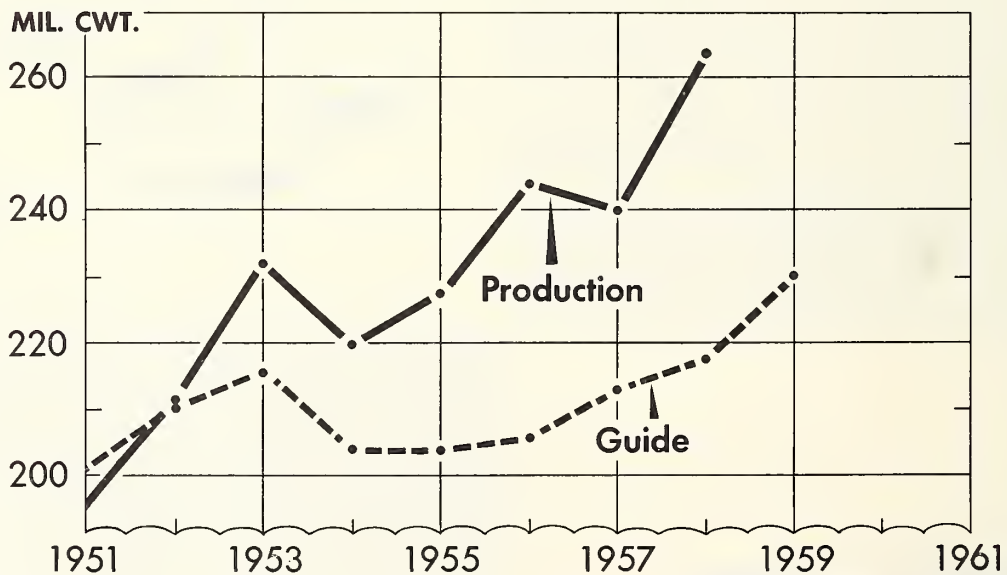
U. S. POTATO ACREAGE GUIDE AND ACREAGE PLANTED



U. S. DEPARTMENT OF AGRICULTURE

NEG. 4748-59 (2) AGRICULTURAL MARKETING SERVICE

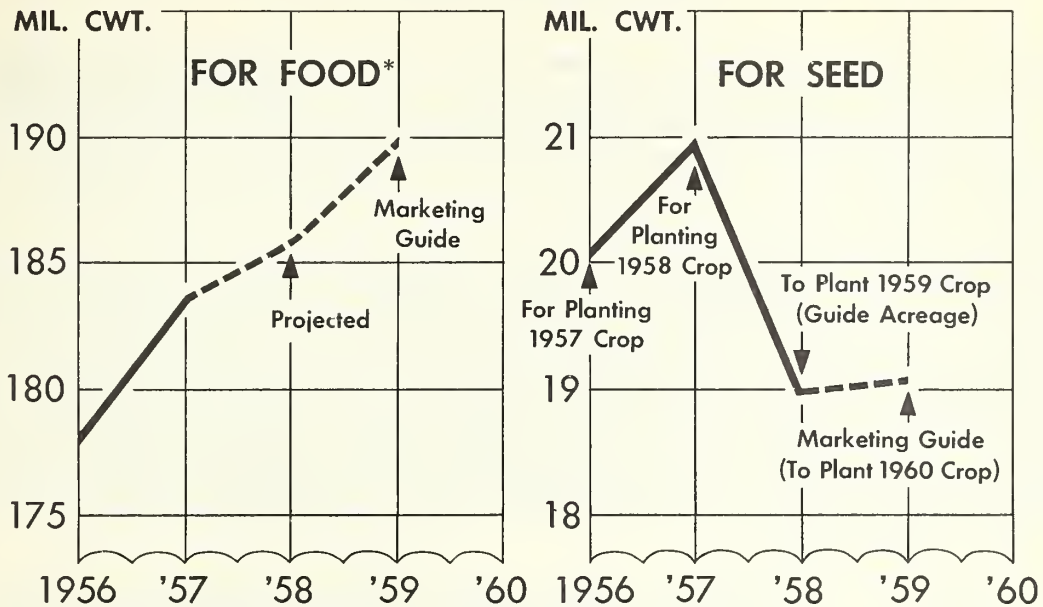
U. S. POTATO MARKETING GUIDE AND PRODUCTION



U. S. DEPARTMENT OF AGRICULTURE

NEG. 6828-59 (2) AGRICULTURAL MARKETING SERVICE

POTATOES USED FOR FOOD AND SEED



CROP YEAR BASIS
* INCLUDING TABLE STOCK AND PROCESSED FOOD ITEMS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 6823-58 (12) AGRICULTURAL MARKETING SERVICE

The 1959 potato acreage guide for the United States is 1,322,995 acres. Such an acreage is 12 percent less than the 1958 plantings and 7 percent less than in 1957. With average acreage loss and recent average yields by states and areas, the 1959 acreage guide will result in a 1959 crop of 230 million hundredweight, 13 percent less than in 1958 and 4 percent less than in 1957.

The 1959 potato marketing guide of 230 million hundredweight anticipates a combined food and seed utilization of 209 million hundredweight; 21 million hundredweight will be utilized for starch and livestock feed or will be accounted for by on-farm shrinkage, waste and loss.

The 1958 potato production was the fourth largest on record. Productivity per acre reached an all-time high. Increases in productivity have more than offset the relatively slow expansion in requirements for potatoes resulting from gains in population. Potato output in 1959 should be substantially reduced from the 1958 level so that supplies will balance with requirements.

F O R E W O R D

The acreage-marketing guides program for potatoes is directed toward balancing the supply with market requirements. The objective of the program is to provide estimates of the acreage required, with average yields, to supply the quantity deemed necessary to meet the market need anticipated for the coming season.

On the basis of the latest information, specific recommendations are developed for each state. Recognition is given to trends, both in recent years and for long time periods. Also, any abnormalities of preceding seasons are considered. However, the recommendations are based upon the assumption that average growing conditions will prevail in the following season. The acreage recommendation is presented in terms of a percentage change from the acreage for the preceding year. Growers may apply this percentage-change recommendation to their individual operation. The recommendations are reviewed before publication by representatives of various agencies of the Department of Agriculture.

The information is presented to the grower in sufficient time for him to consider the facts as he develops his plans for the forthcoming season. The fundamental concept behind the guides program is that, given the best information possible, the grower will be in a better position to make intelligent decisions for his and the industry's best interest. Compliance with the guides on the part of growers is voluntary.

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1959 ACREAGE-MARKETING GUIDES
Summer Potatoes - Fall Potatoes

I. SUMMARY OF ADJUSTMENTS

The primary purpose of acreage-marketing guides is to bring about a needed percentage change in planted acreage from that of the preceding year so that the resulting supply will be in line with market requirements. Each grower almost certainly knows the acreage of potatoes planted on his farm in 1958. Therefore, he should adjust his own acreage in accordance with the individual state guide. For example, where it is recommended that the state's 1959 potato acreage be decreased 5 percent from the acreage planted in 1958, all potato growers in the state should decrease their acreage by 5 percent. The recommended acreage adjustments necessarily assume normal weather conditions, usual planting and harvesting schedules, and normal marketing patterns for potatoes. The recommendations also assume average yields in recent years will be obtained. With these conditions, production from the guide acreages would provide adequate supplies for usual market requirements under prospective demand conditions.

II. DEMAND FOR POTATOES IN THE SUMMER AND FALL OF 1959

Prices received by growers for potatoes in 1959 will depend largely upon the volume and pattern of marketings. While a given quantity of potatoes will bring better prices if consumer incomes are high, changes in potato supply have much more influence on potato prices than do changes in incomes. However, general economic conditions and consumer demand are also important. With the prospect for a further increase in over-all economic activity and consumer incomes in 1959, demand for food, including potatoes, is expected to continue strong during the summer and fall months. Consumer incomes are currently running about 3 percent above a year earlier and further gains are likely as the economy continues to expand in 1959 from the recession low of the spring of 1958. With rising consumer incomes likely, sales of processed food potatoes will probably show additional gains.

Gross national product in the final quarter of 1958 exceeded the previous peak in the summer of 1957, according to preliminary estimates of the Department of Commerce for calendar year 1958. Federal Government purchases of goods and services rose sharply during 1958 mainly as a result of a stepped up national security program, and greater expenditures by CCC under the price support program. State and local Government purchases continued their uptrend throughout the past year. Private residential construction in the final quarter of 1958 was up nearly a fourth from the spring. Manufacturing and trade inventories, which were liquidated very rapidly earlier in the year, increased a little last fall reflecting an improvement in sales and new orders. With higher income, consumers have increased their spending. Retail sales reached a new record of 17.5 billion dollars, seasonally adjusted, in December, up 9 percent from March and 4 percent above a year earlier. There has been some pick up in durable goods sales, particularly automobiles, since

early fall. Sales of food stores, despite some decline in prices of important farm food commodities, were 4 1/2 percent above a year ago in December. Non-agricultural employment, while up about 700,000 from April, lagged behind the rise in production and real output.

The improvement in employment and income which has occurred since last spring is expected to continue through the summer and fall of 1959. Based upon a recent survey of the Departments of Commerce and Labor, construction expenditures in 1959 are expected to be 7 percent higher than in 1958. The yearlong decline in capital spending by business has been halted and a small increase is projected for the first quarter of 1959, according to the most recent survey of the Departments of Commerce and Securities and Exchange Commission. State and local Government spending is likely to continue to increase in 1959, partly as a result of expanded highway and school programs. Inventories at manufacturing and retail levels are low in relation to sales and a modest accumulation of inventories is likely in the coming months. Hence, a rise in consumer incomes and spending is likely through the summer and fall of 1959.

III. PRODUCTION AND MARKETING MATERIALS AND FACILITIES

Manpower: The over-all availability of farm manpower in 1959 is expected to be somewhat less than in 1958 because of stepped-up employment in industrial and other non-farm activities. Farm employers, especially those using many seasonal workers, can obtain valuable assistance in meeting manpower needs by cooperating closely with their local Employment Service offices. Such cooperation also promotes continuity of employment, a major problem for many farm workers, especially migrants. Workers from foreign sources will continue to be available where needs cannot be met from qualified domestic sources.

The supply of experienced year-round farm workers is expected to continue tight. Farm employers, in view of the expanding industrial economy and the long-time downward trend in the size of the farm work force, must give adequate attention to housing, continuity of employment and other incentives which will attract and hold qualified workers in the farm work force.

Fertilizers: Adequate supplies of fertilizers are expected to be available. Farmers should place orders early enough to assure delivery of special formulations.

Pesticides: An effective pesticide for nearly every recommended purpose will be available in ample supply. Demand for pesticides is at its highest in the summer and abnormal infestations by insect and plant diseases are most likely to drain off pesticide inventories. For these reasons, growers should not delay too long in ordering such insecticides, fungicides and weed killers as they are likely to need.

Farm Machinery etc.: Barring unforeseeable problems it is estimated that there will be adequate supplies of farm machinery, equipment, fuels, trucks,

tires and other supplies to meet the requirements for production and processing of the 1959 summer and fall potatoes.

Containers: The supply of basic materials, including metals, fibreboard, plastics, glass, textiles, wood and paper are expected to be adequate to meet any anticipated demands for the processing of the 1959 summer and fall potatoes. Based upon present shipping and labor management relations, packers and shippers should experience no difficulty in obtaining all of their requirements.

IV. SURPLUS REMOVAL OPERATIONS

Departmental potato diversion operations have been conducted in each crop year since 1953. It is anticipated that there will be no diversion operations for the 1959 potato crop. Any Departmental assistance to potato producers in any State or area will be conditioned upon strict compliance with the acreage guides.

By providing growers with acreage-marketing guide information, the Department expects that potato acreage can be adjusted so that the resulting supply will be in balance with market requirements. Before planting time, growers should take every precautionary measure possible to assure themselves of available marketing outlets for their potato production.

Experience has demonstrated that potato producing areas which have available or have taken steps to provide local outlets for excess supplies, consisting of culls and other low-grade potatoes, assure themselves of a valuable price stabilizer. Growers and others associated with the marketing of potatoes should develop and use local outlets for low-grade potatoes to the maximum extent. The Department stands ready to provide guidance and suggestions for such endeavors.

V. 1959 ACREAGE-MARKETING GUIDES

The 1959 potato guides were established after reviewing production and disposition histories of the six seasonal potato crops. Production and disposition were also evaluated in relation to prices received by farmers. Potato sales by seasons and by States and areas, combined with on-farm requirements and average shrinkage and loss after harvest were the bases for the national marketing guide target. The national guide was allocated to the seasonal crops and to States and areas on the basis of the 1954-58 average production.

A national marketing guide of 230 million hundredweight is recommended for the 1959 potato crop. This compares with the 1958 guide of almost 218 million hundredweight. The increase in the marketing guide provides an allowance for an anticipated gain of at least 3 million hundredweight in annual food requirements. In addition, allowances were made for possible improvement in the quality of shipments to fresh market, particularly from areas with marketing orders. When potato supplies are short, stocks of below average quality

may move into markets.

Based on the experience of recent years, utilization of a 230 million hundred-weight crop would be about as follows (1956 and 1957 crop utilizations are shown in Figure 4):

Utilization	Million cwt.
Food, including fresh and processed - - - -	189
Exports in excess of imports - - - - -	1
Seed - - - - -	19
Sold for starch, livestock feed and on-farm shrinkage, waste and loss - - - -	21
Total	230

Per capita food use from the 1959 crop is estimated at 106 pounds, about equal to the level of the past three years. Consumption of processed food potatoes in the 1959 crop year will probably be moderately higher than in the current year. Foreign trade in potatoes has been accounting for less than 2 percent of the domestic supply.

The 19 million hundredweight of seed would be used for planting 1960 crop acreage. This quantity of seed, applied at the rate of about 14 hundred-weight per acre, would seed approximately 1,330,000 acres. Less than one percent of the Nation's cropland is used for producing potatoes.

From a crop of 230 million hundredweight, it is estimated that secondary uses of potatoes, i.e., starch, flour, livestock feed and on-farm shrinkage and waste, will account for 21 million hundredweight. The amount of potatoes utilized for starch and livestock feed is dependent upon the level of production. Eight major producing areas have starch processing facilities.

Seasonal allocations of the 1959 potato marketing guide, compared with average production, are as follows:

Season	: 1954-58 : average : production	: Percentage : produced : by seasons	: 1959 : marketing : guide	: Percentage : allocated : by seasons
	Million cwt.	Percent	Million cwt.	Percent
Winter	5.2	2.2	5.6	2.4
Early Spring	4.2	1.8	3.7	1.6
Late Spring	26.7	11.2	25.0	10.9
Early Summer	9.8	4.1	9.5	4.1
Late Summer	33.0	13.8	32.0	13.9
Fall	159.8	66.9	154.2	67.1
U. S.	238.7	100.0	230.0	100.0

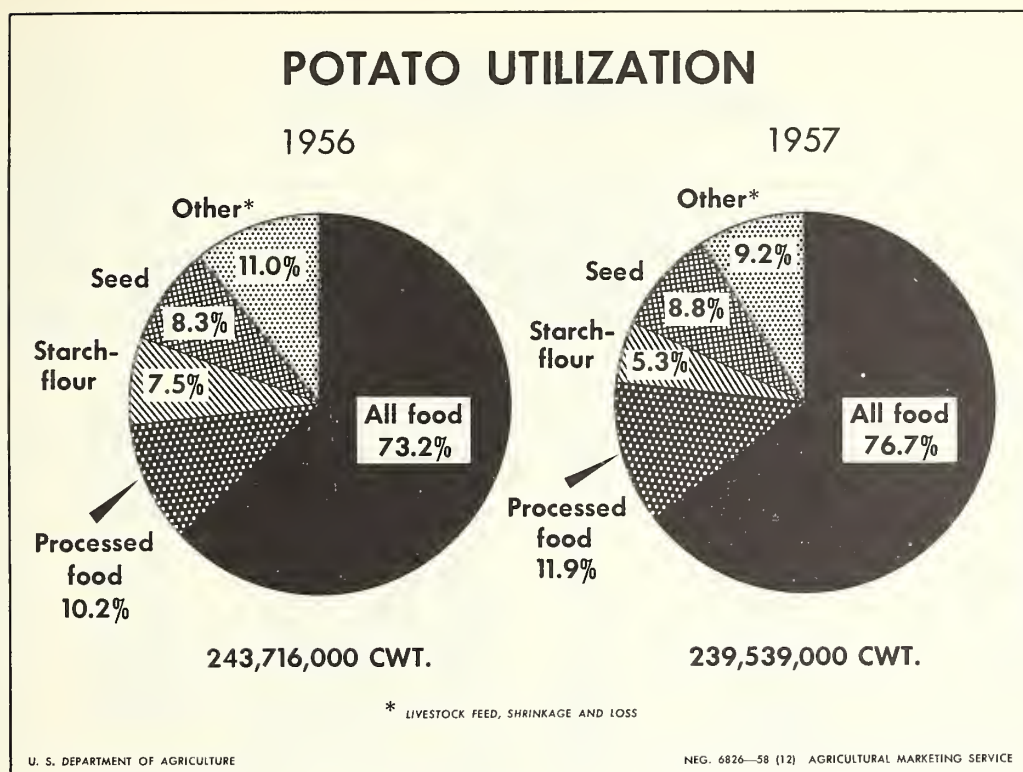


Figure 4

The seasonal potato acreage-marketing guides, as well as the guides for states and areas within the seasonal classification, were established by a formula. The formula provided for factoring season, state and area average productions to levels consistent with 1959 marketing guide targets. The factored 1954-58 average production in each state was divided by the respective 1954-58 average yield per harvested acre (adjusted for trend) to obtain the 1959 harvested acreage guide. Average acreage loss or abandonment (1956-58) was added to the harvested acreage guide; the resulting sum of acreage was the state or area's 1959 planted acreage guide. The 1959 planted acreage guide then was adjusted in states and areas, where necessary, so that the recommended 1959 planted acreage guide was no more than the amount of acreage planted in 1958 (100 percent limitation) or was no less than 80 percent of the acreage planted in 1958.

The 1959 acreage guides for early summer, late summer and fall states are shown on the following page. The total 1959 acreage guide for states with acreages in two or more seasonal classifications, as well as the average percentage reduction recommended, are shown on page 11.

1959 POTATO ACREAGE GUIDES
SUMMER AND FALL CROPS AND SUMMARY

Season	: 1959	:Percentage	Season	: 1959	:Percentage
and	: acreage	:guide is of	and	: acreage	:guide is of
State	: guide	: 1958 planted:	State	: guide	: 1958 planted
	<u>Acres</u>	<u>Percent</u>		<u>Acres</u>	<u>Percent</u>
<u>Early Summer:</u>			<u>Fall:</u>		
Missouri	8,270	92	Maine	132,165	89
Kansas	2,880	80	New Hampshire	2,000	100
Delaware	8,800	80	Vermont	2,100	100
Maryland	2,550	88	Massachusetts	4,495	96
Virginia	27,880	88	Rhode Island	3,210	97
North Carolina	8,360	93	Connecticut	6,385	97
Georgia	2,665	95	New York, L. I.	31,205	85
Kentucky	13,700	100	New York, Upstate	34,615	88
Tennessee	12,000	100	Pennsylvania	42,735	94
Texas	10,160	80	8 Eastern-Fall	258,910	89
Total E. Summer	97,265	90			
			Ohio	13,625	97
			Indiana	5,480	88
<u>Late Summer:</u>			Michigan	40,050	85
Massachusetts	2,045	97	Wisconsin	28,345	89
Rhode Island	1,210	87	Minnesota	76,810	87
New York, L. I.	13,000	100	Iowa	5,355	89
New Jersey	17,040	95	North Dakota	91,800	85
Pennsylvania	4,390	99	South Dakota	9,100	100
Ohio	6,900	100	Nebraska	14,000	100
Indiana	3,000	100	9 Central-Fall	284,565	88
Illinois	2,000	100			
Michigan	5,650	94	Montana	8,780	91
Wisconsin	18,200	100	Idaho	169,150	85
Minnesota	4,735	97	Wyoming	4,845	85
Nebraska	4,940	91	Colorado	41,655	90
Maryland	2,320	97	Utah	9,755	93
Virginia	4,700	100	Nevada	1,605	94
West Virginia	11,575	96	Washington	16,150	85
North Carolina	3,900	100	Oregon	24,635	88
Idaho	9,795	92	California	14,270	86
Wyoming	100	100	9 Western-Fall	290,845	87
Colorado	11,730	85			
New Mexico	2,720	85	Total Fall	834,320	88
Washington	22,100	85	Total Winter	34,200	89
Oregon	10,625	85	Total Spring	183,035	85
California	11,500	100	Total Summer	271,440	92
Total L. Summer	174,175	94	Total Fall	834,320	88
-----			-----		
Total Summer	271,440	92	U. S.	1,322,995	88

Potatoes

1959 Acreage Guides With Comparisons

State	: 1958		: 1959		: 1959 guide as:		: 1958		: 1959		: 1959 guide			
	: planted	: acreage	: planted	: acreage	: percentage	: change from	: State	: planted	: acreage	: change from	: State	: planted	: acreage	: change from
	Acres	Acres	Acres	Acres	Percent	Percent		Acres	Acres	Percent	Percent	Acres	Acres	Percent
Alabama	29,400		24,000		-18		Nebraska	19,400	18,940	-2				
Arizona	9,600		7,840		-18		Nevada	1,700	1,605	-6				
Arkansas	8,500		8,500		0		New Hampshire	2,000	2,000	0				
California	122,000		103,956		-15		New Jersey	18,000	17,040	-5				
Colorado	60,000		53,385		-11		New Mexico	3,200	2,720	-15				
Connecticut	6,600		6,385		-3		New York	89,000	78,820	-11				
Delaware	11,000		8,800		-20		North Carolina	35,900	32,760	-9				
Florida	49,900		40,500		-19		North Dakota	108,000	91,800	-15				
Georgia	4,800		4,665		-3		Ohio	20,900	20,525	-2				
Idaho	209,600		178,945		-15		Oklahoma	5,000	4,388	-12				
Illinois	2,000		2,000		0		Oregon	40,500	35,260	-13				
Indiana	9,200		8,480		-8		Pennsylvania	50,000	47,125	-6				
Iowa	6,000		5,355		-11		Rhode Island	4,700	4,420	-6				
Kansas	3,600		2,880		-20		South Carolina	7,500	7,500	0				
Kentucky	13,700		13,700		0		South Dakota	9,100	9,100	0				
Louisiana	7,000		7,100		1		Tennessee	12,000	12,000	0				
Maine	149,000		132,165		-11		Texas	22,000	18,338	-17				
Maryland	5,300		4,870		-8		Utah	10,500	9,755	-7				
Massachusetts	6,800		6,540		-4		Vermont	2,100	2,100	0				
Michigan	53,000		45,700		-14		Virginia	36,300	32,580	-10				
Minnesota	92,900		81,545		-12		Washington	45,000	38,250	-15				
Mississippi	9,000		8,543		-5		West Virginia	12,000	11,575	-4				
Missouri	9,000		8,270		-8		Wisconsin	50,000	46,545	-7				
Montana	9,600		8,780		-9		Wyoming	5,800	4,945	-15				
United States	1,498,100		1,322,995		-12		United States	1,498,100	1,322,995	-12				

VI. SUMMER-FALL GUIDES

The 1959 guides for early summer, late summer and fall potatoes recommend a total planted acreage 11 percent less than in 1958. Such an acreage, with normal acreage loss and recent average yields by states and areas, will result in a 1959 crop of almost 196 million hundredweight. This production would be 14 percent less than the 1958 crop of 227 million hundredweight. The acreage guide for the early summer crop is a planted acreage 10 percent less than in 1958. For the 1959 late summer and fall crops, the guides recommend acreage reductions of 6 and 12 percent, respectively.

The U. S. acreage guide for the six seasonal potato crops in 1959 totals 1,322,995 acres, 12 percent less than the 1958 plantings of 1,498,100 acres. The U. S. 1958 acreage guide was 1,319,100 acres. On the basis of normal acreage loss and average yields by states and areas, the 1959 acreage guide will produce a crop of 230 million hundredweight. This production would be 13 percent less than the 1958 crop of 264 million hundredweight.

The U. S. 1959 acreage guide is only slightly more than the 1958 acreage guide. However, the U. S. 1959 marketing guide is almost 6 percent more than the 1958 marketing guide because higher yields per acre are incorporated in 1959 guide data.

Early Summer Crop: The 1959 acreage guide for the 10 summer states totals 97,265 acres, 10 percent less than the 1958 plantings of 108,300 acres. The 1959 guide acreage with an average acreage loss of one percent and recent average yields by states, will result in a production of 9.5 million hundredweight, 14 percent less than the 1958 production, but only slightly less than the 1954-58 average production. Slightly more than 4 percent of the 1959 national marketing guide was allocated to the early summer season.

The price level for early summer potatoes is influenced by the extent of overlap of late spring marketings, the timing of early summer harvest and the potential in availability of late summer supplies. In 1958, prices of early summer potatoes averaged out at relatively low levels. Late spring supplies were available into early July and early summer production was about a tenth higher than average.

Late Summer Crop: The 1959 acreage guide for the 23 late summer states totals 174,175 acres, 6 percent less than the 1958 plantings of 186,000 acres. The 1959 guide acreage, with an average acreage loss of about one percent and recent average yields by states, will result in a 1959 production of 32 million hundredweight, 8 percent less than the 1958 production and 3 percent less than the 1954-58 average production. Almost 14 percent of the 1959 national marketing guide was allocated for the late summer potato production.

Acreage reductions of 15 percent are recommended for Colorado, New Mexico, Oregon and Washington. In other late summer states, recommended reductions in acreage range from no change from the amount planted in 1958 to 13 percent

less than in 1958. An acreage equal to that planted in 1958 was recommended for nine states.

In establishing 1959 guide recommendations for late summer areas, it was recognized that 1958 late summer market conditions were adverse. Consequently, growers in some areas delayed harvesting late summer acreage until fall, and the acreage reported for late summer harvest in 1958 was significantly less than in 1957. This was true particularly for Long Island and Wyoming. Growers in these two areas are requested to evaluate 1959 guide recommendations for the combined seasonal crops. Long Island growers are recommended to plant a 1959 summer acreage equal to 1958, or, for the combined late summer and fall crops, an acreage 11 percent less than in 1958. Wyoming growers are recommended to plant a late summer crop equal to 1958, or, for the combined late summer and fall crops, an acreage 15 percent less than in 1958.

The 1958 late summer production proved to be in excess of requirements. Late summer potato prices received by farmers averaged out at relatively low levels. In August 1958, prices averaged \$1.29 per hundredweight compared with \$1.74 per hundredweight in August 1957. Prices declined as the marketing season advanced. Historical production and price relationships for the seasonal crops, including late summer, are shown in Figure 5.

Fall Crop: The 1959 acreage guide for fall crop potatoes is 834,320 acres, 12 percent less than the 1958 plantings of 949,600 acres. Such an acreage, with an average acreage loss of about 3 percent and recent average yields by states, will result in a 1959 production of slightly more than 154 million hundredweight, 15 percent less than the 1958 production and 4 percent less than the 1954-58 average production. Two-thirds of the 1959 national marketing guide was allocated to fall areas.

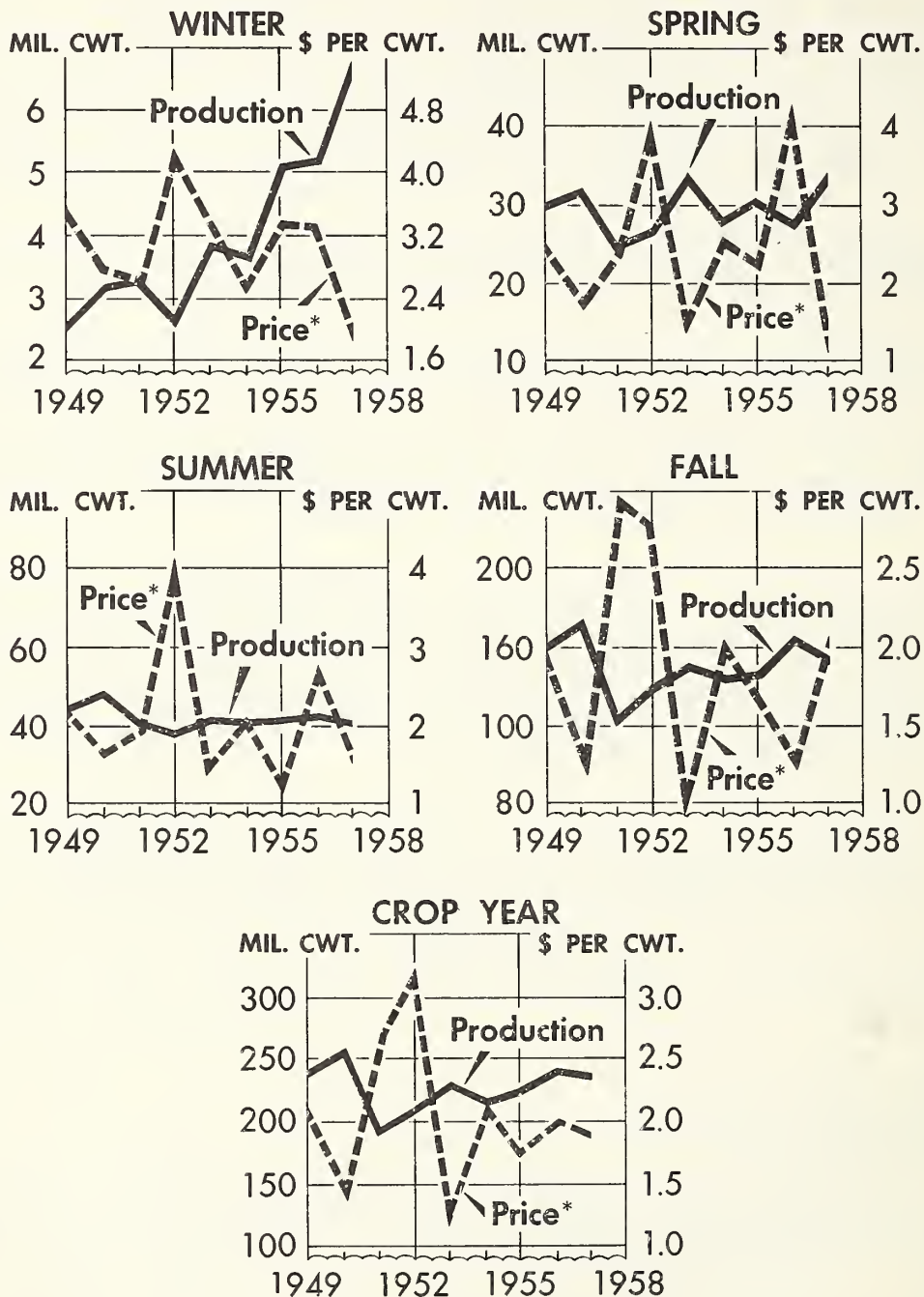
For the 1959 fall crop, the guides recommend regional acreage reductions of 11 percent in the East, 12 percent in the Midwest, and 13 percent in the West. Acreage reductions, recommended for individual states, range from no change from the level of acreage planted in 1958 to a reduction of 15 percent.

The price level for fall crop marketings in 1959-60 will largely depend upon the level of fall production. Growers are urged to trim acreages in line with guide recommendations so that the resultant production will be in balance with requirements.

VII. 1958 POTATO HIGHLIGHTS

Potato supplies were in near balance with market requirements during most of the first quarter of 1958. From May through December of 1958, supplies ranged from moderately to substantially above requirements. Prices received by farmers held at relatively high levels during the first quarter of the year, peaking in March at \$3.25 per hundredweight, but declined steadily in succeeding months, reaching the seasonal low of \$1.02 in October. Prices advanced slightly in November and December of 1958, averaging about \$1.15 per hundredweight.

U.S. POTATO PRODUCTION AND PRICES



* AVERAGE PRICE RECEIVED BY FARMERS

Figure 5

Storage supplies at the beginning of the year totaled almost 91 million hundredweight, or 11 percent less than the January 1, 1957 stocks of 100.2 million hundredweight. Storage holdings were at moderate levels in the East and West and were relatively light in the Midwest. As a result, market prices advanced during the late winter. The storage holdings were supplemented by a moderate size winter crop and a record early spring production. Harvest of the early spring crop commenced in May, about a month later than usual, and the resultant supply competed for market outlets with supplies moving from storage and the large supplies moving from late spring areas.

The downturn in potato prices, which began in late March, accelerated in response to the increased supplies resulting from the pronounced overlap in early and late spring marketings. Between March and June 1958, potato prices declined 50 percent.

Prices continued to ease downward throughout the summer as supplies exceeded requirements. Price recovery was prevented with the record outturn of 1958 fall crop potatoes. Fall production totaled almost 181 million hundredweight compared to 157 million hundredweight in 1957 and about 167 million hundredweight in 1956.

Indicative of surplus supplies of potatoes during 1958 was the abandonment of significant quantities of early spring and summer potatoes, the diversion of an eighth of the California late spring crop to airstrips for drying, and the activation of diversion programs in eight fall producing areas.

The record 1958 fall production will probably result in the largest surplus since 1950. Diversions of 1958 fall supplies through January 31, 1959 amounted to 14.4 million hundredweight, 8 percent of the fall production.

The 1958 crop data indicate a continuation in the expansion of acreage and production in the West. Idaho now ranks first in acreage and production. The data also indicate that the downward trend in acreage in Middle Atlantic States has halted, at least temporarily.

Growers demonstrated an increased efficiency in production in 1958. The 1958 average yield per harvested acre of 180 hundredweight established a new record. The record average yield was obtained despite relatively low yields in several major producing areas, including Maine, California, and Washington. The 1958 production totaled 263.8 million hundredweight and was the largest crop since 1948 and the fourth largest on record.

1959 Outlook: Potato supplies exceeded market requirements as of January 1959. However, substantial quantities of surplus potatoes are expected to be moved into diversion outlets each week and supplies are expected to move into a closer balance with requirements as the season advances. Market

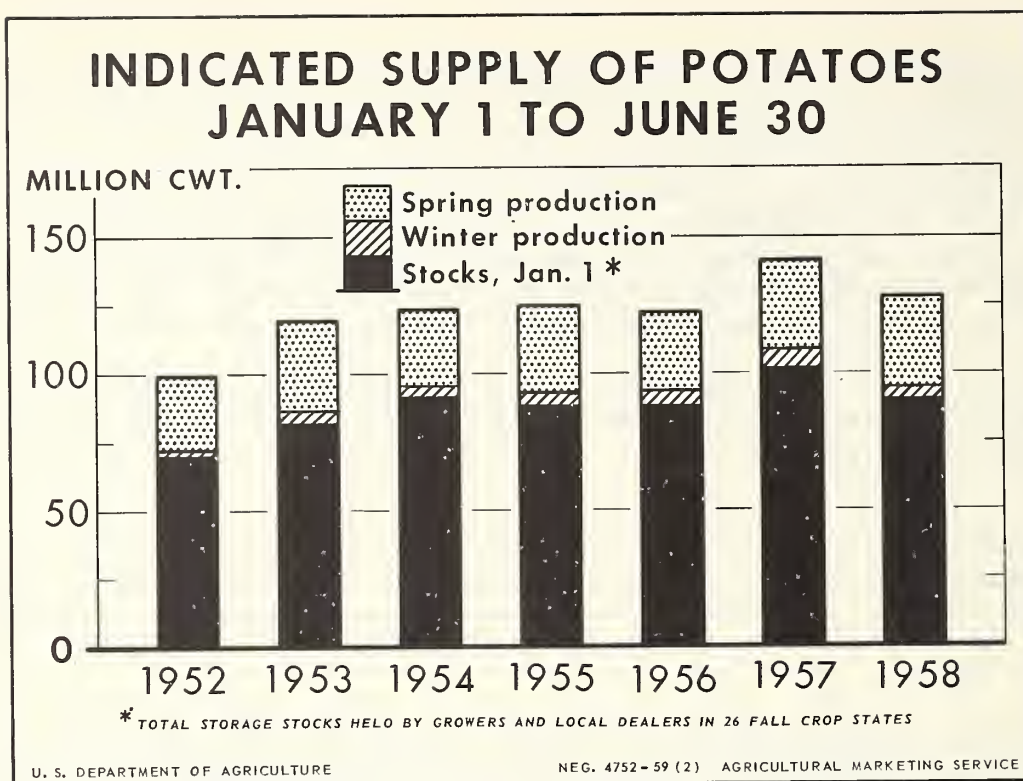


Figure 6

utilization of potatoes is usually heavy in late winter because seed sales peak and supplement sales for food.

The 1959 winter crop production is indicated to be a seventh less than in 1958. Spring crop growers report they intend to plant a 1959 acreage 15 percent less than in 1958. The 1959 winter and spring production may total substantially below the 1958 level.

The smaller supply of winter - spring potatoes, anticipated for the first half of 1959, will partly offset the larger storage holdings. January 1 stocks this year totaled almost 107 million hundredweight compared to 90.6 million hundredweight as of January 1, 1958. January - June supplies in past years are shown in Figure 6.

VIII. HIGHLIGHTS OF THE POTATO INDUSTRY

Potatoes are grown in every state but most of the production is concentrated in a few states. The combined production of Idaho, Maine, California, New York, North Dakota, Colorado, and Minnesota accounted for two-thirds of the 1958 production.

In the 1954 Census of Agriculture, potato production was reported on 1,432,466 farms. However, 5,510 farms, each growing 50 acres or more of potatoes, produced slightly more than half of the 1954 crop. Between 1949

and 1954, the number of potato farms declined by 13 percent, but farms raising 50 or more acres of potatoes increased 8 percent. The 1954 census also showed that the higher potato yields are obtained on farms with large acreages of potatoes.

The crop marketing season for potatoes extends over a period of 20 months. The California 1959 winter crop started moving to market in November 1958. Marketing of the 1959 crop in Maine will begin in the fall of 1959 and normally may be expected to terminate in June 1960. Winter and spring crop marketings complement storage stock marketings in the late winter and spring. Over 200 million hundredweight of food and seed potatoes move through the channels of distribution in a 12-month period. Chicago and New York City are the two most important terminal markets for potatoes. The two cities in turn serve secondary markets.

Domestic production consists of round white, round red, and long type varieties. The bulk of production consists of round type potatoes. Long type potato production predominates in the West, particularly in Idaho, Oregon, Washington and California. Round white and round red type potato production predominates in other areas.

Potato acreages during the past 5 years ranged from 1.4 to 1.5 million acres, about half as much as was planted in the 1930s. Idaho planted 14 percent of the 1958 acreage; Maine planted 10 percent.

Potato yields per acre have shown a pronounced upward trend since World War II. Average yields per acre held below 100 hundredweight through 1945. Yields increased to 116 hundredweight in 1946, to 175 hundredweight by 1956 and to 180 hundredweight in 1958. Yields increased mainly as the result of declines in marginal acreages, increased use of commercial fertilizers and insecticides, the employment of more specialized machinery and equipment, and improvement in seed stock.

As a result of the relatively stable level in acreage and the upward trend in yields, potato production was maintained at high levels from 1954-58; potato surpluses have been the rule rather than the exception. Marketing order programs and surplus removal programs have been utilized to the extent possible in attempts to offset the adverse market conditions arising from surplus supplies.

Total sales of potatoes in food markets have shown moderate annual gains in recent years because of increases in population. Annual per capita consumption in recent years held at a relatively stable level, slightly more than 100 pounds. Approximately 15 pounds of each 100 pounds consumed consists of potato chips frozen French fries, frozen patties, dehydrated and canned items. Estimates of the quantities of fresh potatoes used in the manufacture of processed items are shown in Figure 7.

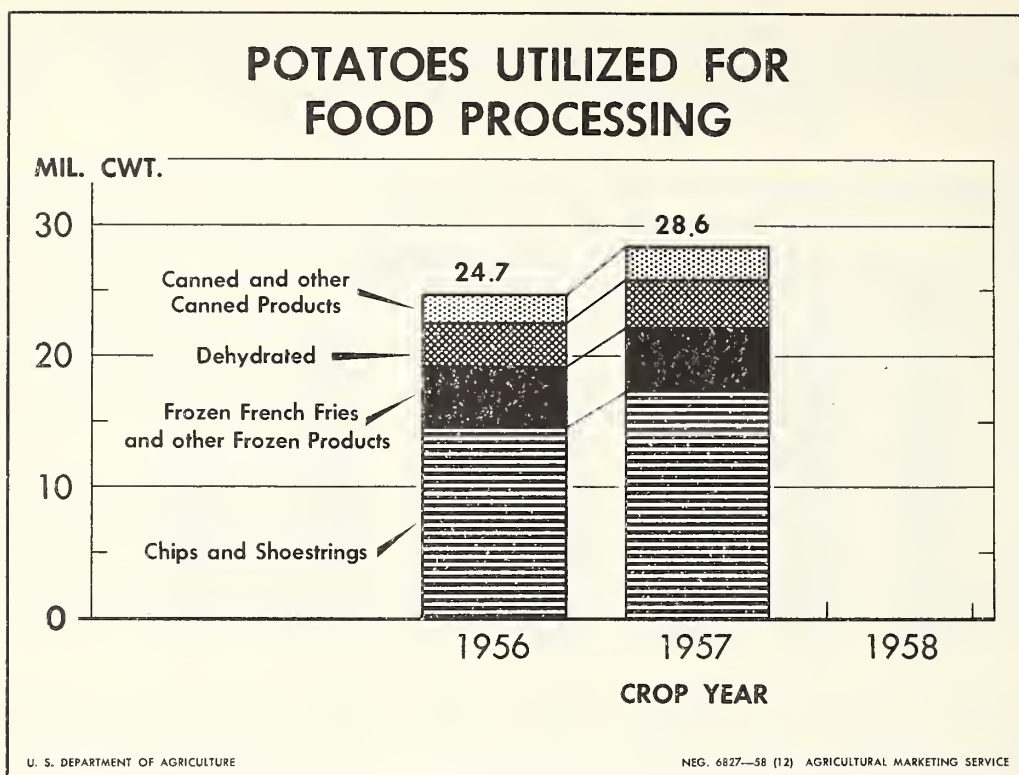


Figure 7

Truck receipts and rail unloads of potatoes in 20 large metropolitan markets in 1958 totaled 49 million hundredweight. The 20 markets utilized 53 million hundredweight in 1957. Potato chippers in the 20 markets report a total utilization of about 100,000 hundredweight per week.

The inverse relationship of potato supply and price is shown in potato crop valuations. The small 1951 crop of 196 million hundredweight was valued at almost 528 million dollars. However, the large 1958 crop of almost 264 million hundredweight is valued at 337 million dollars. The National Potato Council estimated that the 1956 crop had a retail value of almost 1.4 billion dollars.

IX. THE POTATO INDUSTRY IN MAJOR AREAS

Idaho: Idaho was the leading state in potato acreage and production in 1958. The 1958 production of almost 43 million hundredweight was a state record, and exceeded the 1957 production by 14 percent and was 52 percent more than the 1946-56 average production.

The 1958 plantings totaled 209,600 acres compared with 183,600 acres in 1957 and the 1949-56 average of 158,062 acres. New land areas were planted with potatoes in Idaho in 1957 and 1958 and such new acreages were partly

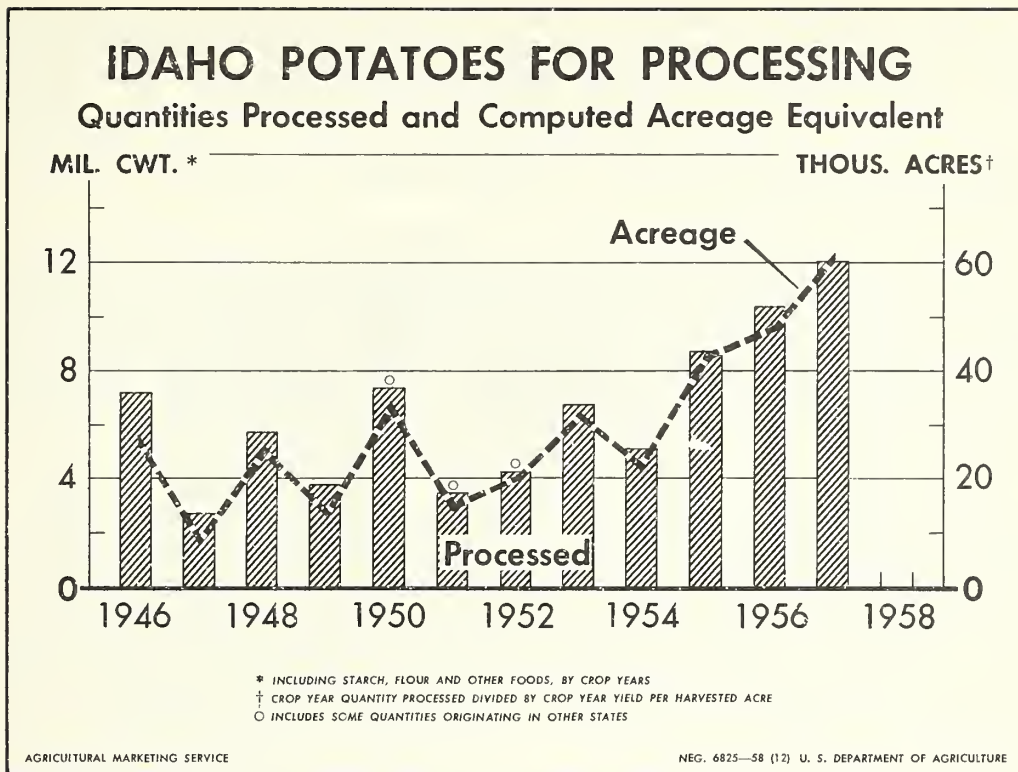


Figure 8

responsible for the high yields per acre obtained in the past two years. The 1958 yield per acre was 206 hundredweight, and exceeded the 1957 record of 204 hundredweight.

Most of the Idaho production consists of the Russet Burbank, a long type variety. Quantities of round and long whites, and red types are grown for late summer marketing.

Interstate shipments of 1957 crop Idaho potatoes totaled about 21 million hundredweight. Idaho supplies are shipped to almost all U. S. markets and are available throughout most of the year.

Almost a third of the 1957 production was utilized by intrastate processors (see Figure 8). Flour and food processors utilized approximately 6.5 million hundredweight of potatoes from the 1956 and 1957 crops. Starch utilization amounted to 3.3 million hundredweight in 1956 and 5.7 million hundredweight in 1957.

Idaho operates under a Federal marketing agreement and order. This order also covers the Malheur County, Oregon production area. Regulations issued under the order are tailored to meet marketing conditions such as difference in varieties marketed and the time of the marketing season. For the 1958-59 marketing season, long varieties, which account for the bulk of the commercial shipments, must be U. S. No. 2 or better grade, 2 inches minimum diameter or 4 ounces minimum weight.

The 1957 Idaho crop was valued at 57 million dollars; prices received by farmers averaged \$1.52 per hundredweight. Farm prices are averaging substantially less this season and the 1958 crop valuation may total only 41 million dollars.

The 1959 acreage guide for Idaho is 178,945 acres. Growers are urged to reduce plantings 15 percent.

Maine: Maine ranked second in potato acreage and production in 1958. The 1958 production totaled 37.2 million hundredweight, slightly less than in 1957 but 6 percent more than the 1952-56 average. The Maine production accounted for 14 percent of the U. S. 1958 crop and almost 16 percent of the 1957 crop. The 1958 production included 18.6 million hundredweight of certified seed, more than half of the U. S. total of 35.1 million hundredweight.

The 1957 crop marketing season in Maine from the standpoints of supply, utilization, and prices received, was one of the best in recent years. The Maine Potato Administrative Committee reported that fresh market sales exceeded 25 million hundredweight. Intrastate food processors utilized 1.5 million hundredweight, and in excess of 5 million hundredweights were processed into starch. Growers' prices received averaged \$2.15 per hundredweight. The 1957 crop was valued at 81 million dollars as compared to 51 million dollars in 1956.

Fresh market sales of Maine potatoes so far this season total substantially below a year ago. Supplies in competing eastern producing areas are larger than a year ago, and as a result, market outlets for Maine potatoes have been reduced.

Potato shipments in Maine are regulated under a Federal Marketing Agreement and Order. Regulatory provisions for shipments of round white varieties, which account for most of the shipments, provide for a U. S. No. 1 grade, 2 1/4 to 4 inches in diameter, generally "fairly clean."

Most of the 1957 Maine crop was marketed in 50 and 10 pound paper containers as contrasted with the 100 pound burlap sack in earlier years. Certified seed is generally shipped in 100s. A marketing summary of the 1957 crop issued by the Maine Agricultural Experiment Station shows that almost 69 percent of the shipments consisted of the Katahdin variety and 7.5 percent consisted of the Russet Burbank variety. About seven-eighths of the shipments were for table-stock and the remainder certified seed. Almost two-thirds of the shipments were recorded in the January-April period.

The 1959 acreage guide for Maine is 132,165 acres, 11 percent less than the 1958 plantings of 149,000 acres and 7 percent less than the 1953-57 average of 142,600 acres.

New York - Long Island: Long Island produced almost 12 million hundredweight of potatoes in 1958, slightly more than 4.5 percent of the U. S. crop. From 1954 through 1958, Long Island's production ranged from 11.5 to 12 million hundredweight. Three-fourths of the 1958 production was harvested in the fall and the remainder in late summer. Because of adverse market conditions in the summer of 1958, harvest of some late summer acreage was delayed until fall.

The 1959 acreage guide for Long Island was based on the summer - fall acreage levels reported for 1958. As potato harvest on Long Island is more or less continuous from late summer into fall, growers are asked to evaluate the 1959 acreage guide levels on both the seasonal and combined seasonal bases. The 1959 acreage guide for the Long Island late summer crop is 13,000 acres and for the fall crop 31,205 acres. For the combined seasonal crops, growers are urged to cut acreage 11 percent. The total acreage guide in 1959 is 44,205 acres compared to 1958 plantings of 49,500 acres.

Sales of Long Island potatoes in recent crop years have totaled about 11 million hundredweight. Most of the crop is sold in eastern and southern markets. Approximately 5 percent of the 1957 supply was exported to Cuba. The 1956 and 1957 crops were each valued at about 20.5 million dollars.

Long Island growers have expanded storage facilities, and more of the supply will be held for marketing in late winter. Most of the Long Island supply in past years was marketed by January 1.

New York - Upstate: The 1958 production was 7.8 million hundredweight, 31 percent more than in 1957, and slightly more than the 1952-56 average. Most of the production is in western and central New York, with the most concentrated area of production in Steuben County.

The downward trend in acreage was halted in 1958. Plantings totaled 39,000 acres compared with 35,000 acres in 1957. The 1959 acreage guide is 34,615 acres, 12 percent less than the 1958 plantings.

Most of the Upstate crop is trucked to nearby markets. The volume moving for potato chip manufacture has increased sharply in recent years. Sales of Upstate potatoes in recent years have ranged from 4.7 to 6.3 million hundredweight. Crop valuation ranged from 10 million dollars to 18 million dollars from 1954 through 1958.

New Jersey Potatoes: Most of the potato acreage is located in the central part of the state, concentrated in Middlesex, Monmouth, and Mercer Counties. At the time of the 1954 census, these three counties produced over three-fourths of the state's crop. Most of the remainder of the crop is produced in the southwestern part of the state. Round white varieties predominate and are grown for late summer harvest.

Potato acreage has exhibited a general downward trend since 1944. The 18,000

acres planted in 1958 were equal to plantings of the previous year, but 22 percent less than the 1952-56 average. The 1959 acreage guide is 17,040 acres, 5 percent less than the 1958 plantings.

Yield per acre in 1958 was 225 hundredweight, a record high for the state. Production totaled 4,050,000 hundredweight in 1958, and was the highest production since 1951.

New Jersey potato harvest and marketing usually takes place from mid-July to mid-October. In 1958, shipments peaked in late August and early September. Most of the crop moves by truck to eastern markets. The leading terminal in unloads of New Jersey potatoes in 1957 was Philadelphia. The 1957 crop was valued at 6.6 million dollars compared with 5.3 million dollars in 1958.

Pennsylvania: Production is concentrated in the eastern part of the state in Lehigh and Lancaster Counties. Most of the crop consists of round white varieties and is harvested in the fall. The 1958 production was almost 8.6 million hundredweight, 27 percent more than in 1957 but 10 percent less than the 1949-56 average.

Most of the supply is trucked to nearby markets; Philadelphia, Baltimore, and Pittsburgh are the leading terminals in unloads. The valuation of the annual crops in recent years ranged from 15 to 34 million dollars.

The 1958 planted acreage was 50,000 acres, equal to the previous year, but moderately less than average. The 1959 acreage guide is 47,125 acres, 6 percent less than the 1958 plantings.

Michigan: All counties in Michigan reported potato production in the 1954 census of agriculture. The leading counties in production were Montcalm, Bay, Presque Isle, Lapeer and Monroe; Montcalm County produced about an eighth of the state's crop. The 1958 production totaled 8.7 million hundredweight, 31 percent more than in 1957 and 16 percent more than the 1949-56 average. Most of the production consists of round white varieties.

The Michigan crop is sold in local markets as well as markets in Ohio, Indiana, Wisconsin, Missouri and Georgia. Annual crop valuations ranged from 9.1 million dollars to 16 million dollars in recent years.

The 1958 plantings totaled 53,000 acres compared with 51,000 acres in 1957. The 1959 guide for Michigan is 45,700 acres, 14 percent less than the 1958 plantings. The guides recommend reductions of 6 percent in late summer acreage and 15 percent in acreage planted for fall harvest.

Wisconsin: Production is concentrated in the north - central area in the counties of Longlade, Portage and Onedia. Wisconsin produces round white, red, and Russet Burbank varieties. Harvesting is continuous from late summer into fall. The 1958 production totaled 7.1 million hundredweight, 17 percent more than in 1957 but 4 percent less than the 1949-56 average. Wisconsin

produced more than one million hundredweight of certified seed in 1958.

Most of the crop is sold in midwestern markets but substantial quantities are also sold in southern markets. Annual crop valuations in recent years have ranged from 13.2 to almost 29 million dollars.

Plantings totaled 50,000 acres in 1958 compared with 49,000 acres in each of the two previous years. The 1959 guide for the Wisconsin late summer crop is 18,200 acres; the fall crop guide is 28,345 acres. For the combined seasonal crops the guide is 46,545 acres, 7 percent less than the 1958 plantings.

Minnesota and North Dakota: Most of the potato crop in Minnesota and North Dakota is grown in adjoining areas in the Red River Valley. According to the 1954 Census of Agriculture, 70 percent of the Minnesota crop and over 95 percent of the North Dakota crop was produced in the Red River Valley area. The Valley production in 1958 was approximately 22 million hundredweight compared to the 1957 crop of 15 million hundredweight. Adverse weather reduced production in 1957. Minnesota and North Dakota ranked second and third in certified seed production in 1958.

Since 1952, annual sales of North Dakota potatoes have ranged from 6.1 million hundredweight to almost 10 million hundredweight. In this same period, annual sales of Minnesota potatoes ranged from 6.1 to 9.6 million hundredweight.

The Red River Valley adopted a Federal Marketing Agreement and Order in 1957. No regulations were issued under the order last season. For the 1958-59 marketing season, shipments of round varieties are limited to U. S. No. 1, 2 inches minimum diameter; long varieties must be U. S. No. 2, 8 ounces minimum or U. S. No. 1, 2 inch or 4 ounce minimum. The Red River Valley production accounted for slightly more than 8 percent of the U. S. 1958 crop.

The 1959 guide for Minnesota late summer crop is 4,735 acres, 3 percent less than in 1958; the Minnesota fall crop guide is 76,810 acres, 13 percent less acres than in 1958. The 1959 guide for North Dakota is 91,800 acres, 15 percent less than the 1958 plantings.

Colorado: More than half of the crop in Colorado is produced in the San Luis Valley. About 40 percent is produced in the Greeley district in Northern Colorado. Relatively small production areas are located on the Western Slope and in the Arkansas Valley. Colorado produced a record crop of 13.5 million hundredweight in 1958, 24 percent more than in 1957 and 31 percent more than the 1949-56 average. Most of the production consists of red varieties and Russet Burbanks.

In recent years sales of Colorado potatoes ranged from 7.6 to almost 9 million hundredweight. Approximately 500,000 hundredweight of each crop is now being utilized for starch processing. The 1957 crop was valued at 22.7 million dollars compared with 15.1 million dollars in 1956. Colorado potato shipments are regulated under a Federal Marketing Agreement and Order.

In 1958 Colorado planted 60,000 acres of potatoes, the largest acreage since 1949. The 1959 acreage guide for the Colorado late summer crop is 11,730 acres, 15 percent less than the 1958 plantings; the guide for the fall crop is 41,655 acres or 10 percent less than in 1958. The total 1959 guide is 53,385 acres, 11 percent less than in 1958.

Washington: Most of the potato acreage is in the southeastern part of the state and is concentrated in the Counties of Yakima, Benton and Grant. About four-fifths of the crop consists of the Russet Burbank type. Red and white varieties are grown for late summer harvest. Potato production in the state increased sharply in 1955 when new land areas were brought into cultivation.

Production in 1958 amounted to 10.6 million hundredweight, record high for the state, and 6 percent more than in 1957 and 40 percent more than the 1949-56 average. Almost two-thirds of the 1958 crop was harvested in late summer and the remainder in the fall.

Washington potato shipments are regulated by a Federal Marketing Agreement and Order. Supplies are shipped to markets throughout the United States and into western Canada. Annual crop valuations in recent years ranged from 7.8 million dollars to 16.2 million dollars.

Potato acreage in Washington has shown an upward trend since 1952. The 1958 plantings totaled 45,000 acres compared with 40,000 acres in 1957. The 1959 guide for Washington is 38,250 acres. Growers are recommended to cut late summer and fall plantings 15 percent below the 1958 levels.

Oregon: Most of the acreage for late summer harvest is in Malheur County. The fall crop is produced in the Klamath Basin and central Oregon areas. Marketings are regulated under a Federal order. This order covers all of the Oregon production area, except Malheur County, and Modoc and Siskiyou Counties in California (Malheur County is included in the Idaho-Oregon marketing order).

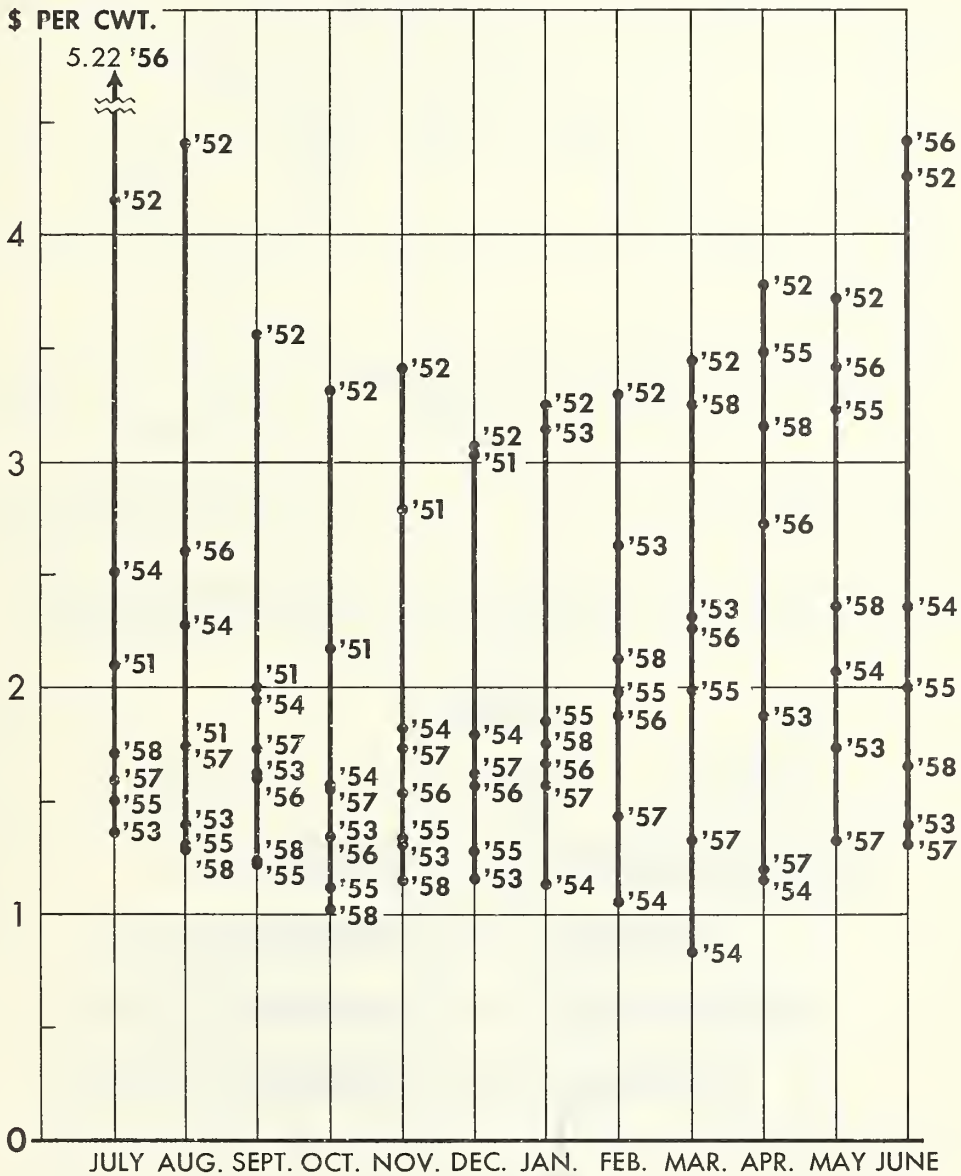
The bulk of Oregon's production consists of the Russet Burbank variety most of the round white and red varieties are produced for late summer marketings. The 1958 production totaled 9,750,000 hundredweight, record high for the state, and 6 percent more than in 1957 and 28 percent more than the 1949-56 average.

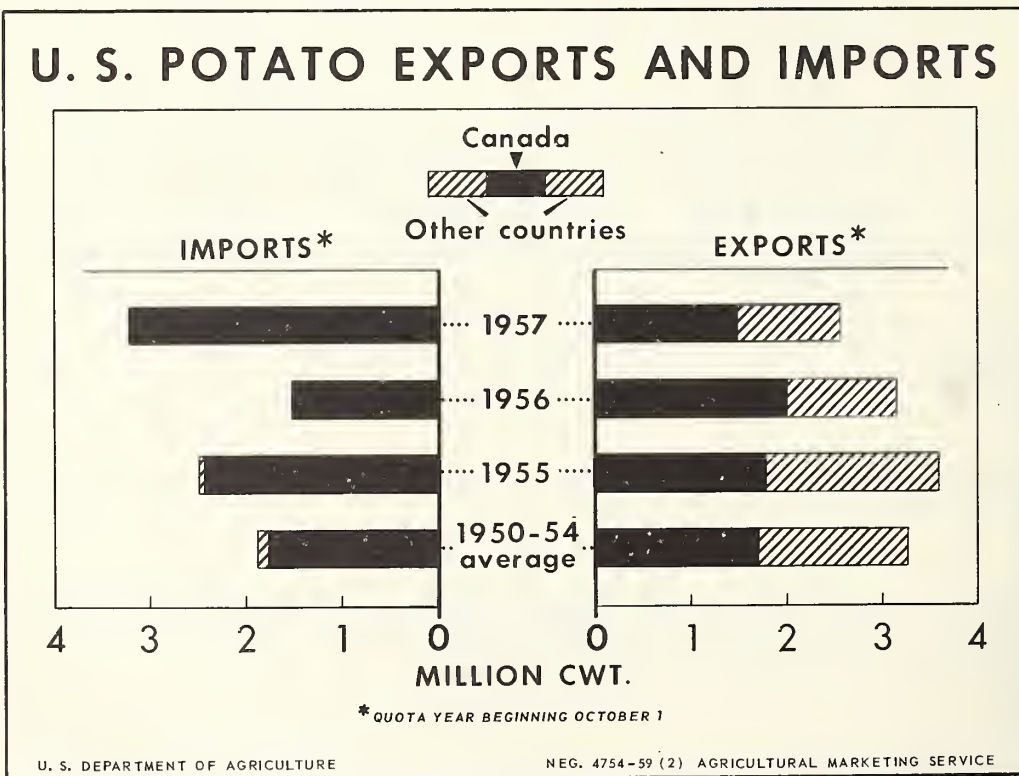
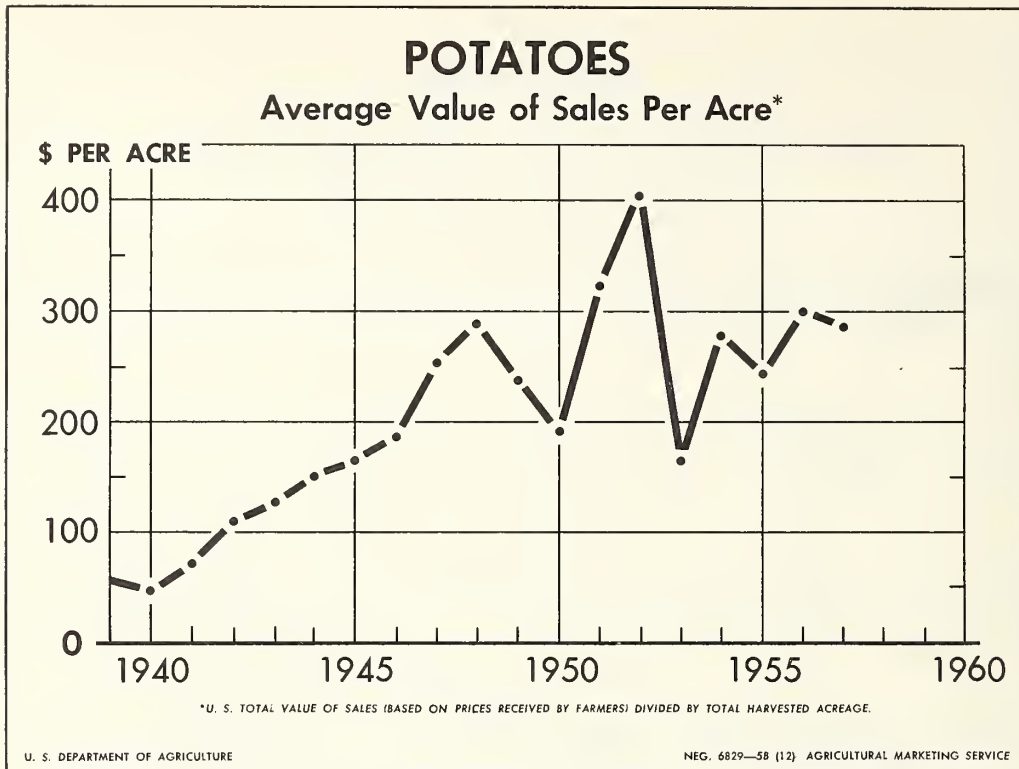
Oregon potatoes are shipped to markets throughout the United States and western Canada. Annual crop valuations in recent years ranged from 10 million dollars to 18.4 million dollars.

In 1958 plantings totaled 40,500 acres compared with 38,500 acres in 1957. The 1959 acreage guide for Oregon is 35,260 acres, 13 percent less than was planted in 1958. As compared with 1958, the 1959 acreage guide recommends reductions of 15 percent in plantings for late summer harvest and 12 percent in plantings for fall harvest.

POTATOES

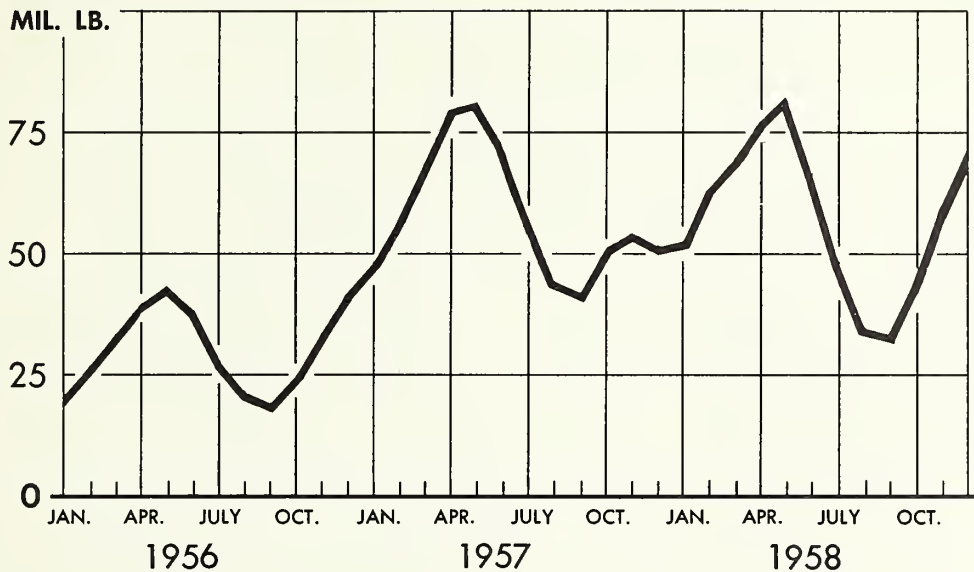
Array of Prices Received by Farmers, by Months,
July 1951 - November 1958





FROZEN FRENCH-FRIED POTATOES

End of Month Stocks in Cold Storage

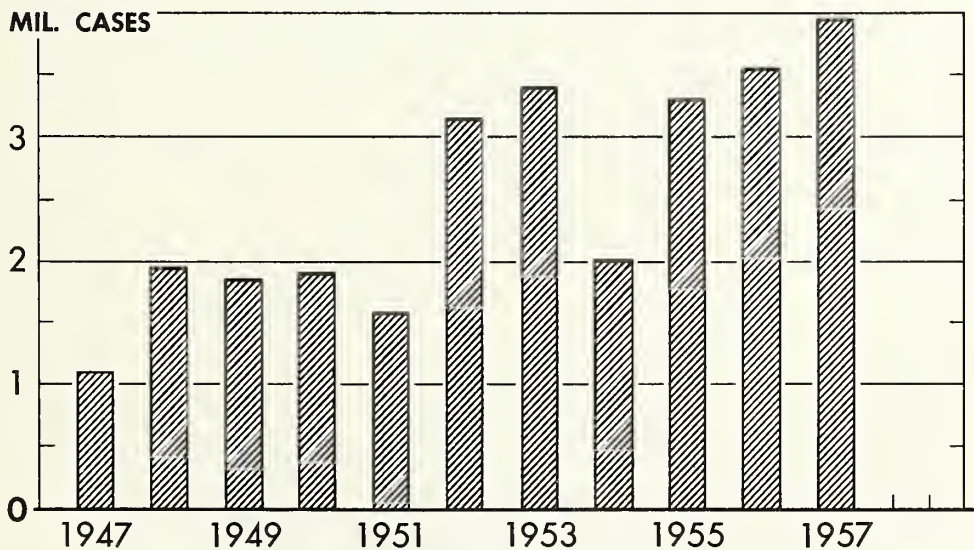


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